



TOWN OF ELLINGTON

55 MAIN STREET • P.O. BOX 187
ELLINGTON, CONNECTICUT 06029-0187

BOARD OF FINANCE

ROBERT J. CLEMENTS
Chairman

REGULAR MEETING TUESDAY, MARCH 3, 2009 MINUTES

RICHARD J. CLEARY
MARK A. JOYSE
BARRY C. PINTO
MICHAEL D. VARNEY
JOSEPH E. WEHR

Board of Finance

Members Present:

R. Clements-Chairman, R. Cleary (arr. 8:55 pm), M. Joyse, B. Pinto, M. Varney and J. Wehr

Others Present:

N. DiCorleto-Finance Officer, Ann Marie Conti-Tax Collector, CCR Auditors Robert Howard and Jeffrey Walsh

Chairman Robert Clements called the regular meeting of the Board of Finance to order at 8:07 pm at the Town Hall.

Citizen's Forum - None

Tax Collector – Collections

Tax Collector Ann Marie Conti stated that presently tax collections are at 97.14 % which is just slightly lower than this same time last year which was 97.5%. The increased revenues based on the 2007 Grand List are 3.31%. They issued 370 tax warrants for unpaid back taxes and have contacted the escrow companies for delinquencies. She is estimating a 98% collection rate for the 2008-09 tax year and recommending 97.5% be used for 2009-10 tax year.

Mr. Clements stated that when a resident refinances or a foreclosure is purchased, the back taxes are paid up, and Mrs. Conti confirmed that that was correct.

Tax Assessor – Grand List

The Tax Assessor had sent out her report last month showing a growth of 1.61%. It was pointed out that Ellington is one of the few towns that had a positive growth in the grand list last year.

Presentation of 2007-08 Audit

Robert Howard and Jeffrey Walsh presented the audit and passed out summary notes attached. There were no material weaknesses or significant deficiencies reported on the government auditing standards. Actual revenues were more than budgeted and actual expenditures were less than budgeted. Reserve and undesignated fund balance at 6/30/08 was 6.8% of General Fund expenditures.

Mr. Howard stated that the fund balance for the Town is healthy and that there were only two minor adjustments. The Finance Officer was more than helpful in this process and made it easy for them.

In the future there will be new accounting standards pronounced. The one that will affect the Town immediately will be GASB 45 - Accounting and Finance Reporting by Employers for Post Employment Benefits Other Than Pensions. This will include accumulated sick days for the Board of Education and the implicit cost of insurance benefits. Mr. DiCorleto will be getting pricing for this service. Mr. Howard told the Board that there are only few companies qualified to do this.

In closing they told the Board that the Town is in a healthy financial state and has good conservative accounting practices. They received good cooperation from the Finance Office. There were no non-compliance notes and no internal control weaknesses noted.

Financial Statements

Mr. DiCorleto passed out the budget books and tables for 2009-10. He stated that the budgets came in at 3.74% increase. There was discussion regarding how the budgets would look without salary increases, and Mr. DiCorleto stated he was working on those schedules.

New Business

Mr. Wehr stated he had asked Ted Graziani if the funds for the Pinney House could be repurposed and he was told that they could be.

Old Business

There was discussion regarding the visit to the Old Crystal Lake Schoolhouse. Mr. Cleary stated that he is not convinced that Mr. Tedford wants to be moved to the Crystal Lake area and whether this is the best location for his department. It was the consensus of the Board that they would like to see costs for other alternatives. It was decided that Mr. Clements will write a memo to the First Selectmen stating that the Board would like to see some other options for the Recreation Office relocation before committing additional funds to the Old Crystal Lake Schoolhouse.

Executive Session – Discuss Potential Municipal Land Purchase.

Present: Board of Finance Members, R. Phillips-Town Planner, Amy Paterson-Project Manager, Trust for Public Land.

Board of Finance
March 3, 2009
Page 3

MOVED (JOYCE) SECONDED (WEHR) AND PASSED UNANIMOUSLY TO GO INTO EXECUTIVE SESSION AT 9:20 PM.

MOVED (CLEARY) SECONDED (JOYSE) AND PASSED TO COME OUT OF EXECUTIVE SESSION AT 10:15 PM.

Adjournment

MOVED (WEHR) SECONDED (CLEARY) AND PASSED TO ADJOURN THE MEETING OF MARCH 3, 2009 AT 10:16 PM.

Respectfully Submitted:


Lori Smith, Recording Clerk



Town of Ellington, Connecticut

2008 Audit Results



Presented by:

Robert L. Howard, Jr., CPA – Audit Partner
Jeffrey W. Walsh, CPA – Audit Manager

March 3, 2009

Presentation

- **Scope of Work and Reports Issued**
- **Financial Highlights**
- **Management Recommendation**
- **Required Auditors' Communications**
- **New Pronouncements**

Scope of Work and Reports Issued

- **Audit of Financial Statements**

- Unqualified “clean” opinions

- **Federal Single Audit**

- Report on Compliance and Internal Control at the Federal Award Level
 - Unqualified opinion on compliance
 - No internal control weaknesses noted

- **State Single Audit**

- Report on Compliance and Internal Control at the State Award Level
 - Unqualified opinion on compliance
 - No internal control weaknesses reported

Scope of Work and Reports Issued

■ *Government Auditing Standards*

- Report on Internal Control Over Financial Reporting at the Financial Statement Level
 - No noncompliance noted
 - No material weaknesses or significant deficiencies reported

Government – Wide Financial Highlights

- The assets of the Town exceeded its liabilities by \$62,724,826 at June 30, 2008
- Unrestricted net assets totaled \$11,064,877
- The Town's total net assets increased by \$1,694,358 during 2008
- The Town's bonded debt decreased by \$1,969,900 or 9% during 2008

Governmental Funds – Financial Highlights

- The Town's governmental funds reported combined ending fund balances of \$5,844,894 at June 30, 2008
- The General Fund had an ending fund balance of \$6,594,585 at June 30, 2008
- Unreserved and undesignated fund balance of the General Fund at June 30, 2008 was \$3,537,416 or 6.8% of General Fund expenditures
- The change in fund balances of governmental funds for 2008 was an increase of \$761,798

General Fund Financial Highlights – Budgetary Basis

- Budgeted use of available fund balance was \$1,265,612. However, actual increase to fund balance was \$1,603,613
- Actual revenues were \$2,340,256 more than budgeted revenues and actual expenditures were \$521,416 less than budgeted expenditures
- Fund balance increased from \$4,802,640 to \$6,406,213 on the budgetary basis

Management Recommendation

- Impact of Recently Issued Accounting Standard – GASB No. 45

Required Communications the Auditor Committee

- Auditor's Responsibilities under U.S. Generally Accepted Auditing Standards
- Planned Scope and Timing of the Audit
- Significant Audit Findings
 - Qualitative Aspects of Accounting Practices
 - Difficulties Encountered in Performing the Audit
 - Corrected and Uncorrected Misstatements
 - Disagreements with Management
 - Management Representations
 - Management Consultations with Other Independent Accountants
 - Other Audit Findings or Issues

New Pronouncements

Governmental Accounting Standards Board

- GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions (FY 2009)
- GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations (FY 2009)
- GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets (FY2010)
- GASB Statement No. 52, Land and Other Real Estate Held as Investments by Endowments (FY2009)
- GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments (FY2010)